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## **FY2012 Operating Budget and Student Charges**

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# **FY2012 OPERATING BUDGET & STUDENT CHARGES**

(Revised to reflect updated peer institution information)

# FY12 FINANCIAL PLANNING TIMETABLE

	2010 July	Aug	Sept	Oct	Nov	Dec	2011 Jan	Feb	Mar	Apr	May	June
FY11 Financial Forecasts					X			X			X	
Multi-year planning												
Multi-year projections presented to Board of Trustees					15							
Distribute forms & allocations to CFO's							14					
Shared Services Advisory Council reviews FY12 Budget Materials							24					
Prepare interim close reconciliations as of February 28th									1-31			
Interim Close									31			
CFO's review budgets with Vice Chancellor for Finance & Administration									31 ↔ 11			
Budget forms due in System Office										22		
Trustee Finance/Facilities Committee reviews budget & student charges											16	
Trustees approve budget and student charges for FY12											22-23	
FY12 budgets in PeopleSoft											31	

# ***FY12 BUDGET HIGHLIGHTS***

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## **❖ Balanced Budgets**

All seven universities and the System Office have submitted balanced budgets for FY12 despite the loss of \$6.4 million in ARRA funds and no budgeted increase in State appropriation.

## **❖ Lowest Tuition Increase in a Decade**

The weighted average tuition increase for in-state undergraduates represents the lowest tuition percentage increase in 10 years and the lowest dollar increase in 8 years.

FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
4.7%	7.7%	7.6%	8.3%	8.7%	10.0%	10.3%	5.8%	4.8%	4.3%

## **❖ Lowest Land-Grant Tuition & Mandatory Fees in New England**

UMaine has the lowest in-state tuition (including mandatory fees) of the land-grant universities in New England and the second lowest out-of-state tuition (including mandatory fees).

# ***FY12 BUDGET DRIVERS***

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## **❖ Appropriation**

FY12 budgets are based on flat funding, which is \$6.9 million below the FY08 funding level.

## **❖ Enrollment**

Projected enrollment for UMS is 0.4% below the FY11 budget and 1.8% below FY11 actual.

## **❖ Student Charges**

For in-state, undergraduate students, the UMS weighted averages are as follows:

- ✓ 4.3% tuition increase
- ✓ 4.1% combined tuition and mandatory fee increase
- ✓ 3.3% total increase (tuition, mandatory fees, room, and board)

## **❖ Compensation and Benefits**

FY12 benefit rate is 49.5% which assumes the charge to the Employee Health Plan Task Force to reduce the cost trend for the health plan to 6% or less in FY12 is met.

## **❖ Funding Depreciation**

Overall, depreciation is budgeted to exceed the target of 100% funding for Auxiliary and 60% funding for E&G in FY12; however, some campuses remain below the target.

# ***CONTINUING BUDGET CHALLENGES***

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## **❖ Appropriation**

State appropriation to the UMS has been declining as a percentage of the State budget and as a percentage of the UMS budget for the past twenty years. While Maine's General Fund revenue will grow over the next few years, revenue is not currently projected to return to the FY08 level over the next biennium, FY14 and FY15.

## **❖ Enrollment**

Maine's 15 to 24 year old population will decline 19.5% by 2020. Maintaining current enrollments will be challenging and will require our universities to work differently in order to retain and attract more students, including adults and the nearly 50% of high school graduates who currently do not enroll in college.

## **❖ Student Charges**

The UMS' ability to raise revenue will continue to be restrained by what Maine people can afford. Maine's 2010 per capita personal income ranks 29<sup>th</sup> in the nation at \$37,300.

## **❖ Compensation and Benefits**

Compensation and benefits constitute 72% of our E&G operating budget and represent the single largest cost driver in the budget. Particularly challenging is that benefit costs have been increasing at a rate that exceeds the growth in revenue sources.

# ***CONTINUING BUDGET CHALLENGES***

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## **❖ Reserves**

The UMS has a little less than 4 months worth of operating expense held in reserve.

The benchmark for public institutions of higher education is 5 months. This ratio also varies by campus, leaving some of our institutions extremely vulnerable when State appropriation is reduced or enrollment declines occur.

## **❖ Aging Infrastructure**

The UMS has more than 650 buildings providing just over 9 million square feet of space located across the state. Sixty-eight percent of System space is over 25 years of age, a time when critical building needs come due and investment is needed. The age of facilities, limited capital renewal funding, code changes, and functional obsolescence have resulted in a critical deferred maintenance estimate of \$350 to 400 million and a total asset reinvestment backlog of \$680 to 720 million. Only UMF is able to fully fund depreciation; and sporadic and inadequate State bonding for the university infrastructure makes it impossible to systematically address our needs.

## **❖ Loss of ARRA Funds**

Federal Stimulus dollars have been cushioning the loss of state appropriation since FY09.

However, these funds which totaled \$6.4 million in FY11 have disappeared.

# STATE APPROPRIATION

## Unrestricted Appropriation

	<u><b>FY10</b></u>	<u><b>FY11</b></u>
Biennial Request	\$194.5	\$203.2
Governor's Proposed Budget	\$181.0	\$181.0
Biennial Budget as Legislated	\$178.9	<b>\$178.9</b>
After Curtailment (\$6.0M)	<b>\$172.9</b>	

	<u><b>FY12</b></u>	<u><b>FY13</b></u>
Biennial Request	\$186.0	\$193.4
Governor's Proposed Budget*	\$181.9	\$181.9
Biennial Budget as Legislated	TBD	TBD

<u><b>MEIF</b></u>	<u><b>FY10</b></u>	<u><b>FY11</b></u>	<u><b>FY12*</b></u>	<u><b>FY13*</b></u>
	\$14.7	\$14.7	\$14.7	\$14.7

\*Governor's Proposed Budget includes \$3.35 million in Debt Service.



# FY12 OPERATING BUDGET

	(000's)					
	FY10		FY11		FY12 PROPOSED	
	ACTUAL		FORECAST		BUDGET	
<b><u>Revenues</u></b>						
Tuition & Fees	\$252,442	48%	\$261,317	49%	\$264,498	50%
Dining & Residence	58,763	11%	59,758	11%	60,637	11%
Less: Waivers/Scholarships	(41,160)	(8%)	(45,134)	(8%)	(47,340)	(9%)
Net Student Charges Revenue	\$270,045	51%	\$275,941	52%	\$277,795	52%
State Appropriation (excludes MEIF)	172,960	33%	178,960	34%	178,960	34%
Indirect Cost Recovery	15,682	3%	15,127	3%	13,102	3%
Investment Income/Gifts	12,292	2%	11,103	2%	3,442	1%
Sales/Services/Auxiliary	58,127	11%	50,145	9%	49,734	10%
<b>Total Net Revenues</b>	<b>\$529,106</b>	<b>100%</b>	<b>\$531,276</b>	<b>100%</b>	<b>\$523,033</b>	<b>100%</b>
<b><u>Expenses</u></b>						
Compensation & Benefits	\$326,396	64%	\$331,460	63%	\$343,152	65%
Fuel & Electricity	19,291	4%	22,365	4%	24,348	4%
Interest Expense	9,490	2%	9,131	2%	8,183	2%
Depreciation	27,258	5%	27,688	5%	29,028	5%
Other Expenses/Matches/Transfers	123,982	25%	133,465	26%	126,622	24%
<b>Total Expenses</b>	<b>\$506,417</b>	<b>100%</b>	<b>\$524,109</b>	<b>100%</b>	<b>\$531,333</b>	<b>100%</b>
<b>Operating Increase/(Decrease)</b>	<b>\$22,689</b>		<b>\$7,167</b>		<b>(\$8,300) *</b>	
<b><u>Cash Flow</u></b>						
Net Increase (Decrease)	\$22,689		\$7,167		(\$8,300)	
Plus Depreciation	27,258		27,322		28,591	
Less: Capital Expenditures	(16,874)		(14,932)		(10,433)	
Debt Service Principal	(10,537)		(8,611)		(9,068)	
<b>Net Change in Cash</b>	<b>\$22,536</b>		<b>\$10,946</b>		<b>\$790</b>	
<b>State Fiscal Stabilization funds</b>	<b>7,152</b>		<b>6,440</b>		<b>\$0</b>	
<b>ADJUSTED NET CHANGE</b>	<b>\$29,688</b>		<b>\$17,386</b>		<b>\$790</b>	

\*FY12 budgeted revenues insufficient to offset depreciation

# FY12 OPERATING BUDGETS BY UNRESTRICTED FUND

	(000's)					
	E&G		AUXILIARY		TOTAL	
<b><u>Revenues</u></b>						
Tuition & Fees	\$263,051	60%	\$1,447	2%	\$264,498	50%
Dining & Residence	\$0	-	60,637	70%	60,637	11%
Less: Waivers/Scholarships	(45,720)	(10%)	(1,620)	(2%)	(47,340)	(9%)
Net Student Charges Revenue	\$217,331	50%	\$60,464	70%	\$277,795	52%
State Appropriation (excludes MEIF)	178,960	41%	-	-	178,960	34%
Indirect Cost Recovery	13,102	3%	-	-	13,102	3%
Investment Income/Gifts	3,442	1%	-	-	3,442	1%
Sales/Services/Auxiliary	23,234	5%	26,500	30%	49,734	10%
<b>Total Net Revenues</b>	<b>\$436,069</b>	<b>100%</b>	<b>\$86,964</b>	<b>100%</b>	<b>\$523,033</b>	<b>100%</b>
<b><u>Expenses</u></b>						
Compensation & Benefits	\$320,083	72%	\$23,069	27%	\$343,152	65%
Fuel & Electricity	17,121	4%	7,227	9%	24,348	4%
Interest Expense	2,901	1%	5,282	6%	8,183	2%
Depreciation	23,962	5%	5,066	6%	29,028	5%
Other Expenses/Matches/Transfers	82,217	18%	44,405	52%	126,622	24%
<b>Total Expenses</b>	<b>\$446,284</b>	<b>100%</b>	<b>\$85,049</b>	<b>100%</b>	<b>\$531,333</b>	<b>100%</b>
<b>Operating Increase/(Decrease)</b>	<b>(\$10,215) *</b>		<b>\$1,915</b>		<b>(\$8,300) *</b>	
<b><u>Cash Flow</u></b>						
Net Increase (Decrease)	(\$10,215)		\$1,915		(\$8,300)	
Plus Depreciation	23,525		5,066		28,591	
Less: Capital Expenditures	(8,406)		(2,027)		(10,433)	
Debt Service Principal	(4,849)		(4,219)		(9,068)	
<b>Net Change in Cash</b>	<b>\$55</b>		<b>\$735</b>		<b>\$790</b>	

\*FY12 budgeted revenues insufficient to offset depreciation

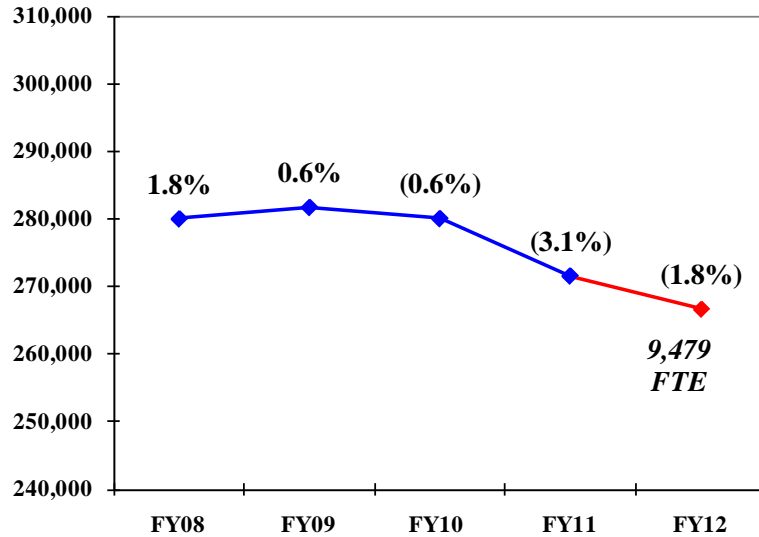
# FY12 OPERATING BUDGETS BY CAMPUS

	UM	UMA	UMF	(000's) UMFK	UMM	UMPI	USM	SWS	TOTAL
<b><u>Revenues</u></b>									
Tuition & Fees	\$118,536	\$23,311	\$20,986	\$6,974	\$5,804	\$8,033	\$80,854	\$0	\$264,498
Dining & Residence	32,946	0	8,977	1,405	2,165	2,007	13,137	0	60,637
Less: Waivers/Scholarships	(30,962)	(2,188)	(2,761)	(934)	(1,740)	(1,288)	(7,427)	(40)	(47,340)
Net Student Charges Revenue	\$120,520	\$21,123	\$27,202	\$7,445	\$6,229	\$8,752	\$86,564	(\$40)	\$277,795
State Appropriation	82,295	13,525	10,124	4,214	4,243	6,277	40,831	17,451	178,960
Other Income	42,779	2,334	2,036	365	557	797	14,322	3,088	66,278
<b>Total Net Revenues</b>	<b>\$245,594</b>	<b>\$36,982</b>	<b>\$39,362</b>	<b>\$12,024</b>	<b>\$11,029</b>	<b>\$15,826</b>	<b>\$141,717</b>	<b>\$20,499</b>	<b>\$523,033</b>
<b><u>Expenses</u></b>									
Compensation & Benefits	\$146,243	\$27,796	\$26,203	\$8,257	\$6,963	\$11,163	\$102,386	\$14,141	\$343,152
Utilities	13,423	1,079	2,496	761	787	1,169	4,568	65	24,348
Other/Depreciation	90,597	8,550	10,109	3,281	3,411	4,074	36,370	7,441	163,833
<b>Total Expenses</b>	<b>\$250,263</b>	<b>\$37,425</b>	<b>\$38,808</b>	<b>\$12,299</b>	<b>\$11,161</b>	<b>\$16,406</b>	<b>\$143,324</b>	<b>\$21,647</b>	<b>\$531,333</b>
<b>Net Increase (Decrease*)</b>	<b>(\$4,669)</b>	<b>(\$443)</b>	<b>\$554</b>	<b>(\$275)</b>	<b>(\$132)</b>	<b>(\$580)</b>	<b>(\$1,607)</b>	<b>(\$1,148)</b>	<b>(\$8,300)</b>
<b><u>Cash Flow</u></b>									
Net Increase (Decrease)	(\$4,669)	(\$443)	\$554	(\$275)	(\$132)	(\$580)	(\$1,607)	(\$1,148)	(\$8,300)
Plus Depreciation	15,432	1,192	1,491	550	574	790	6,129	2,433	28,591
Less Capital Expenditures	(5,629)	(600)	(1,582)	0	(246)	(113)	(1,763)	(500)	(10,433)
Debt Service Principal	(4,622)	(106)	(383)	(259)	(196)	(53)	(2,664)	(785)	(9,068)
<b>Net Change</b>	<b>\$512</b>	<b>\$43</b>	<b>\$80</b>	<b>\$16</b>	<b>\$0</b>	<b>\$44</b>	<b>\$95</b>	<b>\$0</b>	<b>\$790</b>

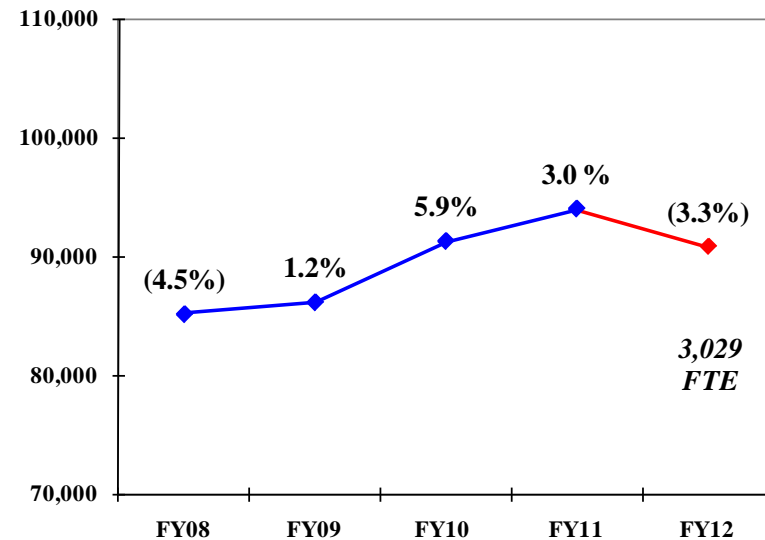
\*FY12 budgeted revenues insufficient to offset depreciation except at UMF

# UMS ENROLLMENT - ANNUAL CREDIT HOURS

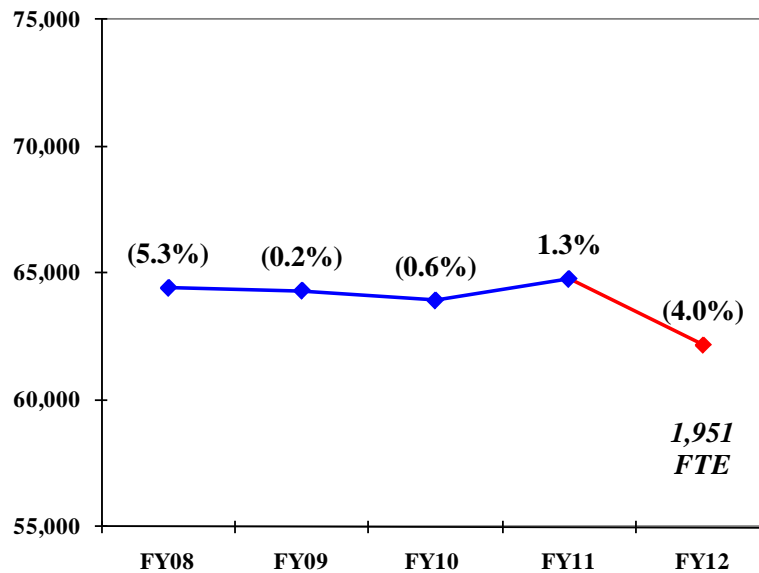
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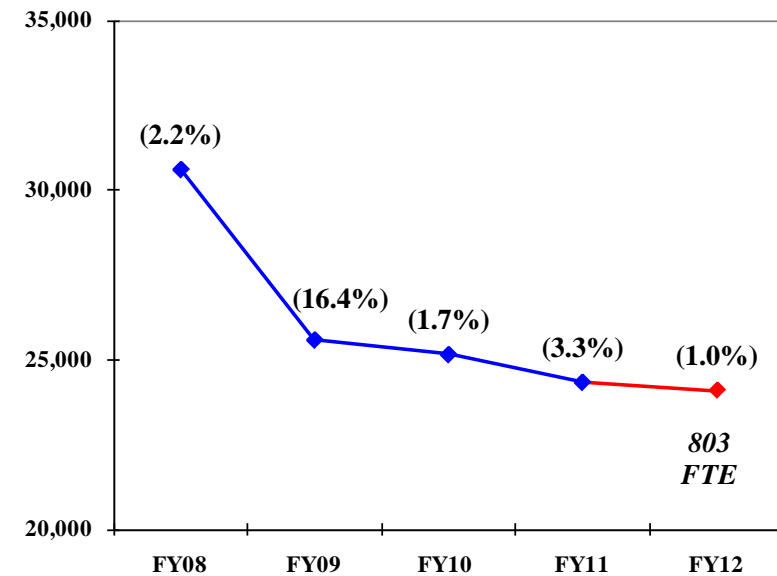
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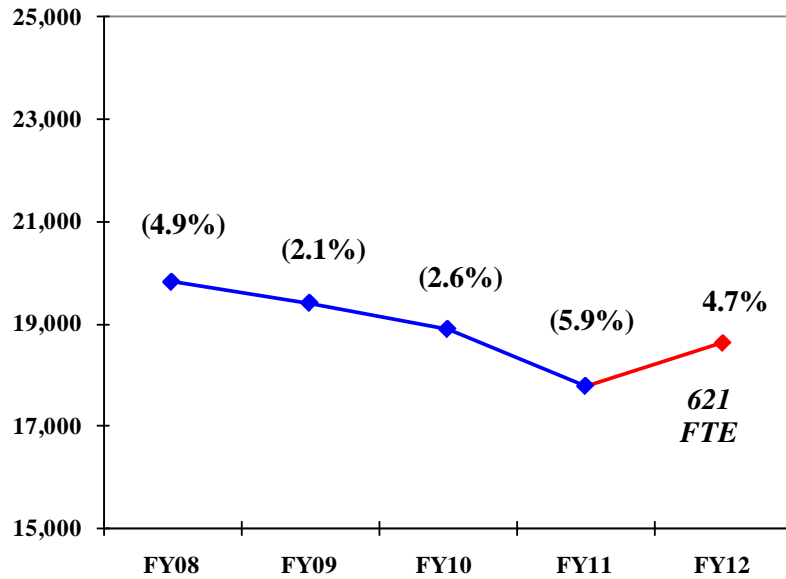


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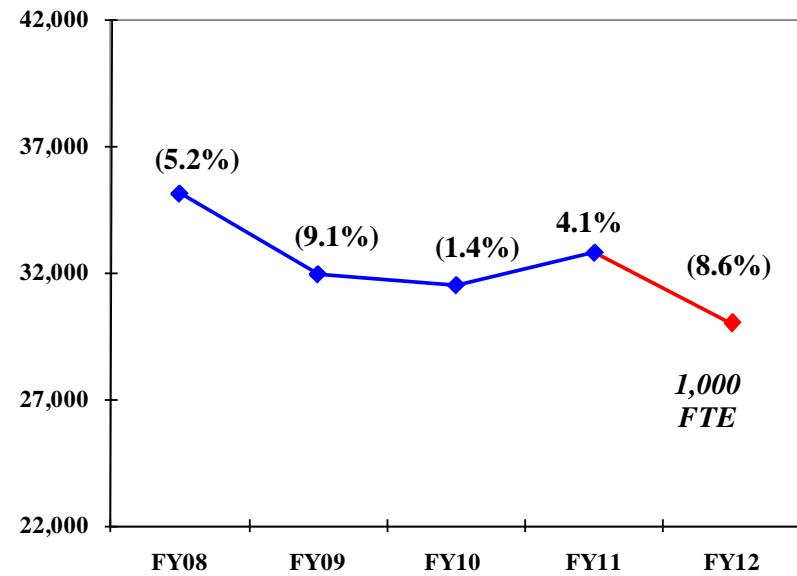


# UMS ENROLLMENT - ANNUAL CREDIT HOURS

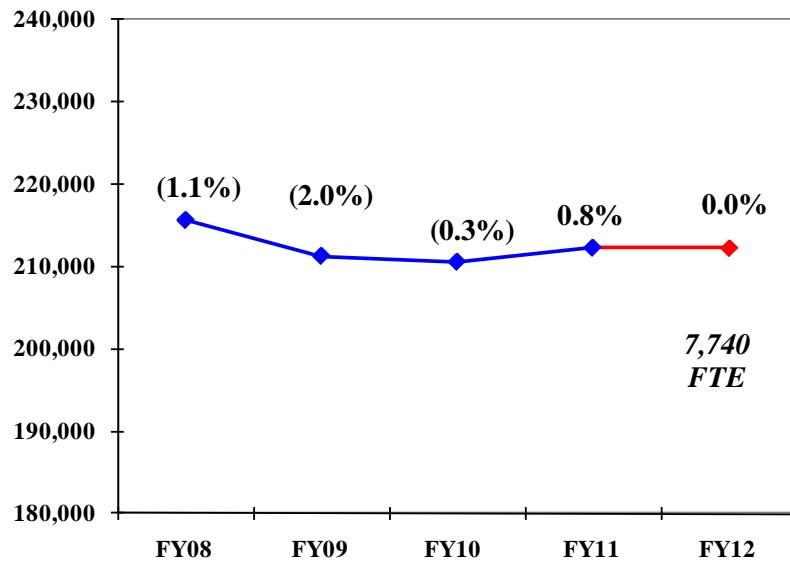
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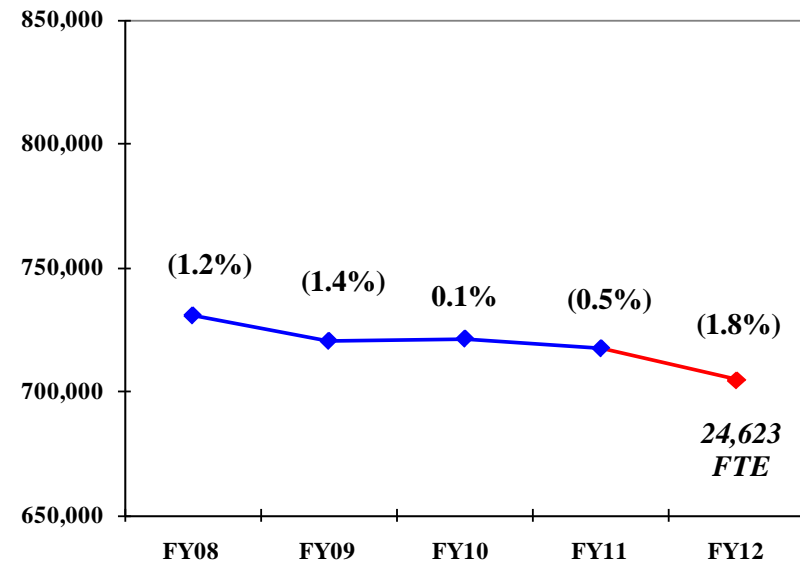
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USM



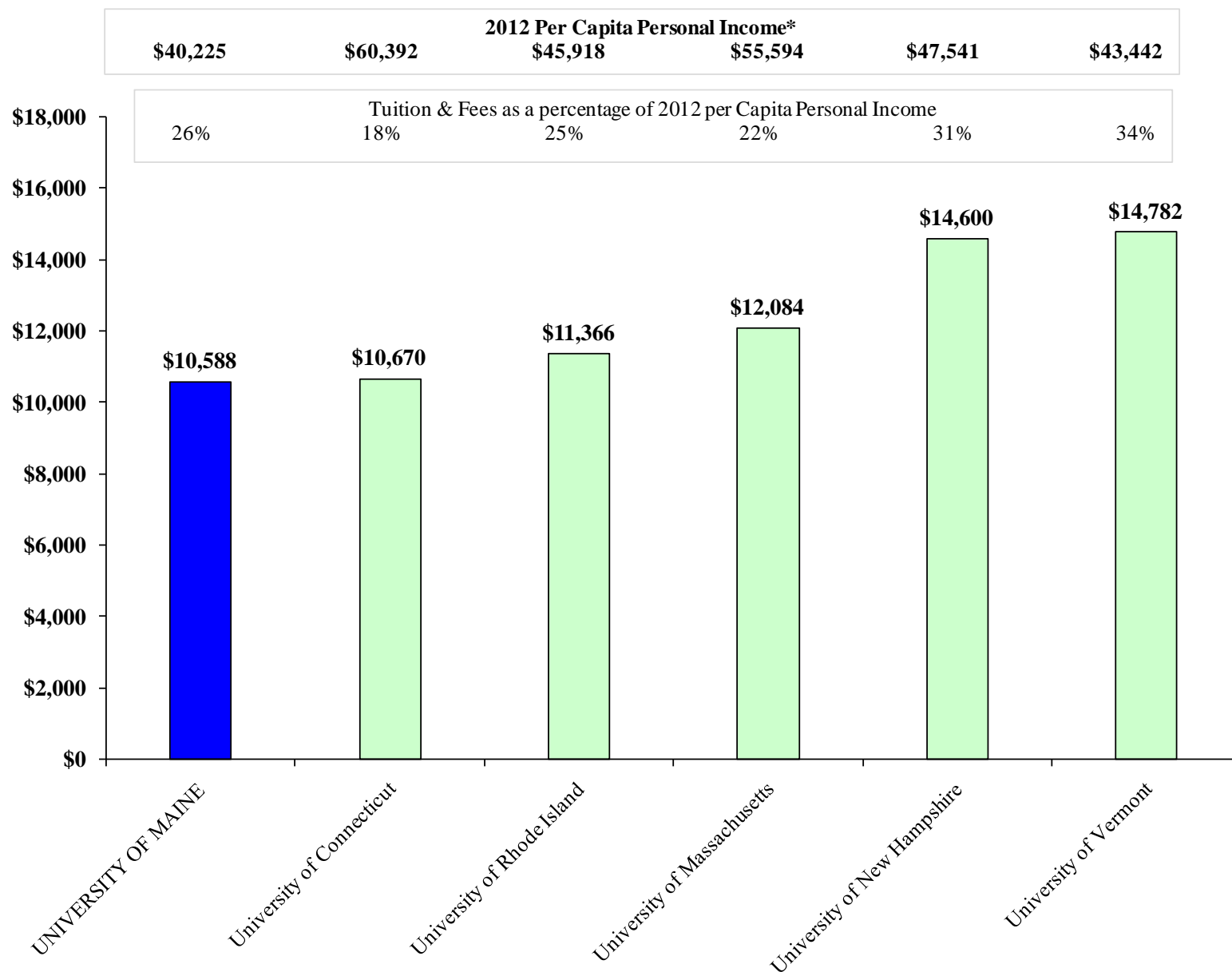
SYSTEM TOTAL



# ***NEW ENGLAND LAND-GRANT UNIVERSITIES***

## ***ESTIMATED IN-STATE UNDERGRADUATE TUITION & MANDATORY FEES***

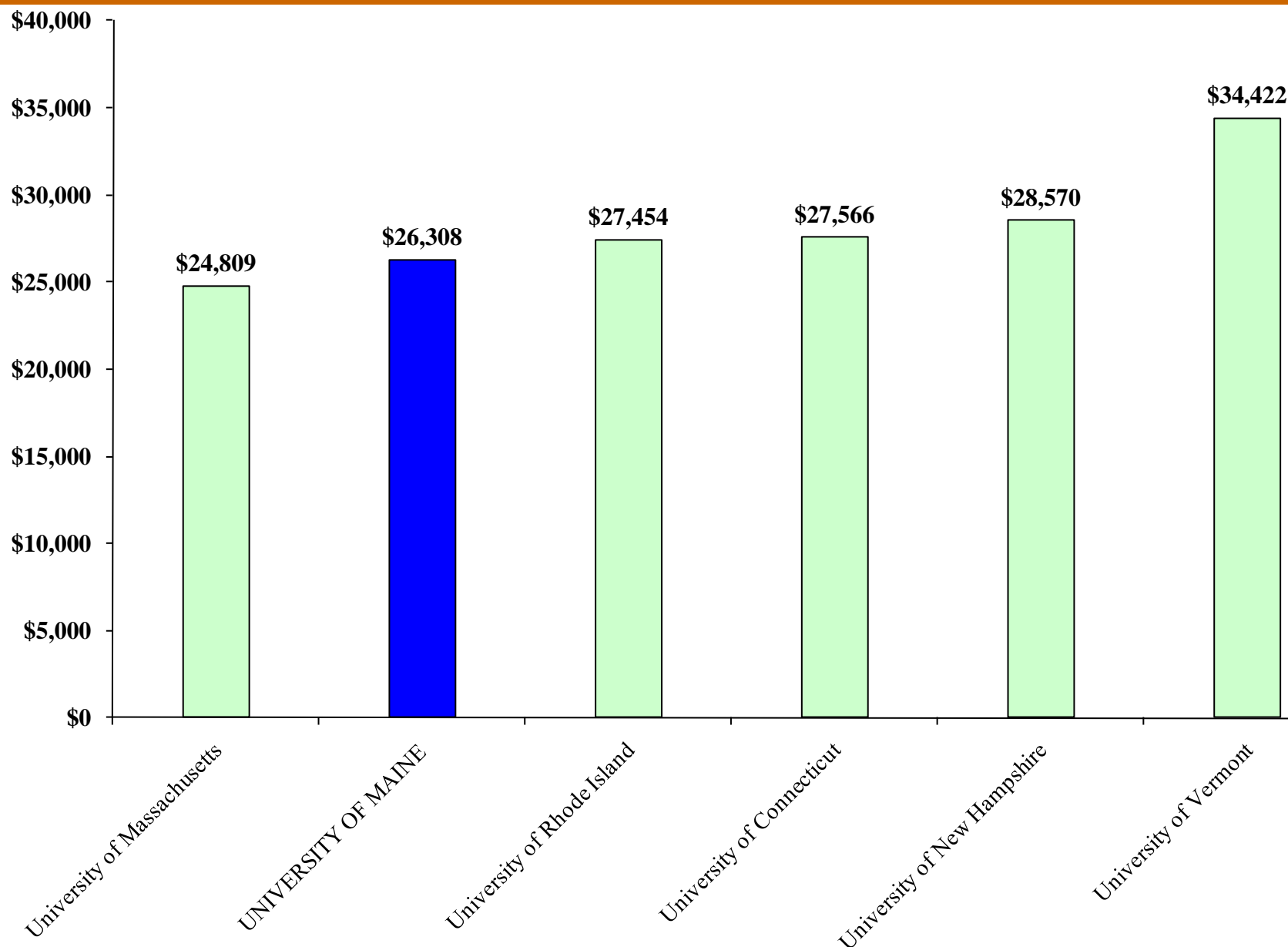
### ***FY12***



\*Data: Bureau of Economic Analysis

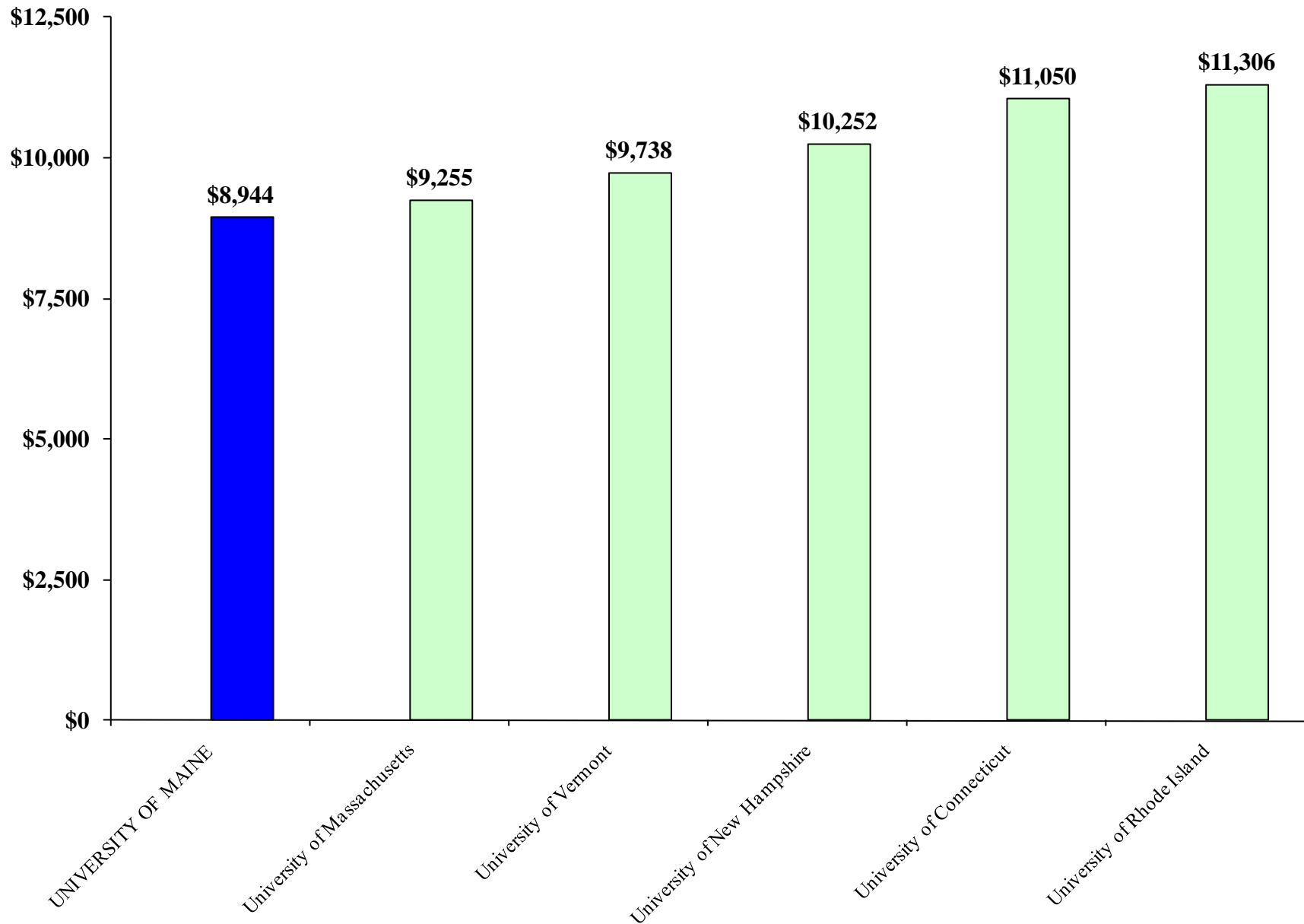
Source: Telephone calls & websites

***NEW ENGLAND LAND-GRANT UNIVERSITIES***  
***ESTIMATED OUT-OF-STATE UNDERGRADUATE TUITION & MANDATORY FEES***  
***FY12***



# ***NEW ENGLAND LAND-GRANT UNIVERSITIES ESTIMATED ROOM & BOARD FY12***

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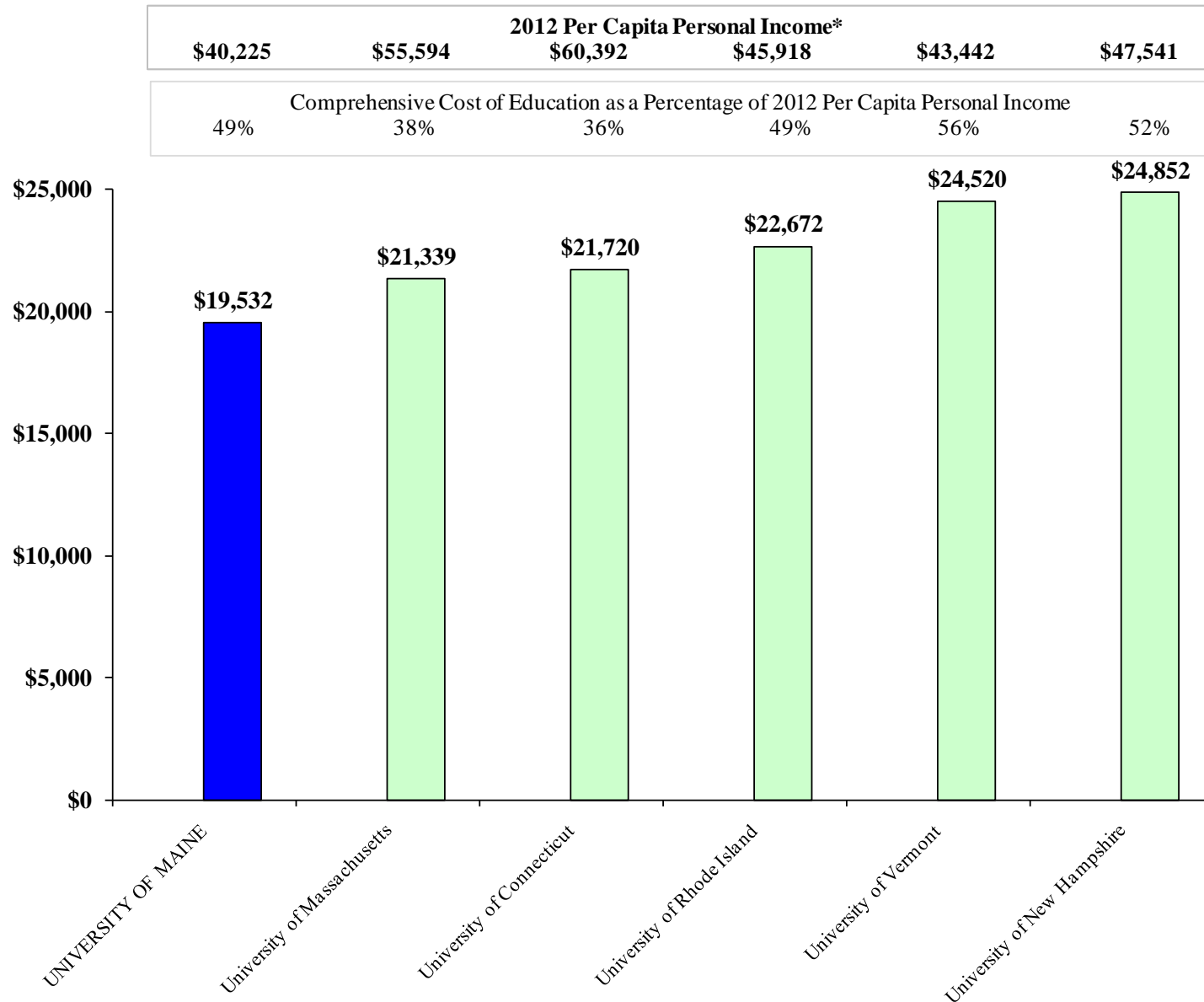


# ***FY12 NEW ENGLAND LAND GRANT UNIVERSITIES***

## ***ESTIMATED IN-STATE UNDERGRADUATE COMPREHENSIVE***

### ***STUDENT COST OF EDUCATION***

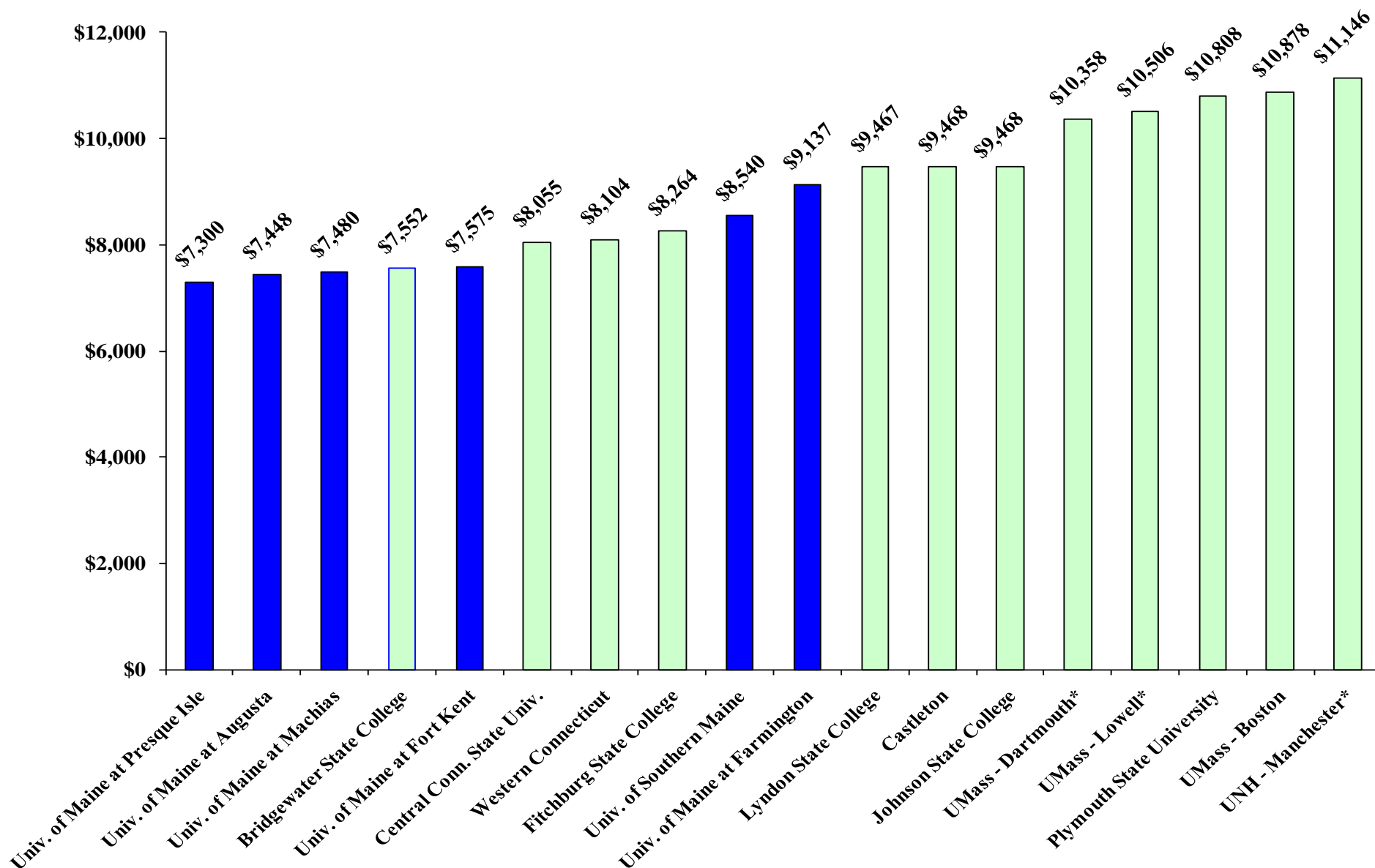
*(Tuition, Mandatory Fees, Room & Board)*



\*Data: Bureau of Economic Analysis

Source: Telephone calls & websites

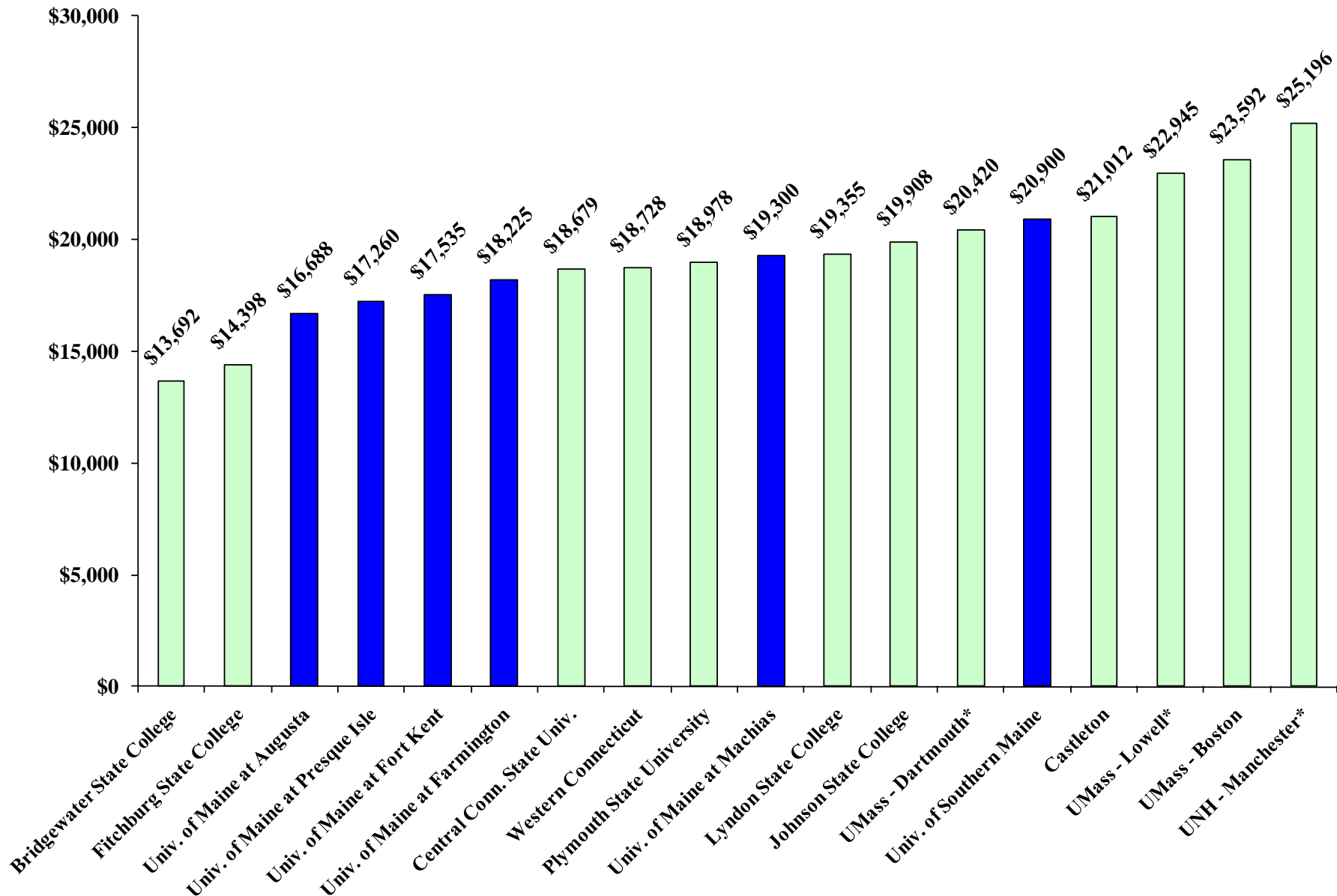
***SELECTED NEW ENGLAND STATE COLLEGES & UNIVERSITIES***  
***ESTIMATED IN-STATE UNDERGRADUATE FULL-TIME TUITION AND MANDATORY FEES***  
***FY12***



Source: Telephone calls & websites

\*Reflects FY11 rates as FY12 estimates not yet available

***SELECTED NEW ENGLAND STATE COLLEGES & UNIVERSITIES ESTIMATED OUT-OF-STATE  
UNDERGRADUATE FULL-TIME TUITION & MANDATORY FEES  
FY12***

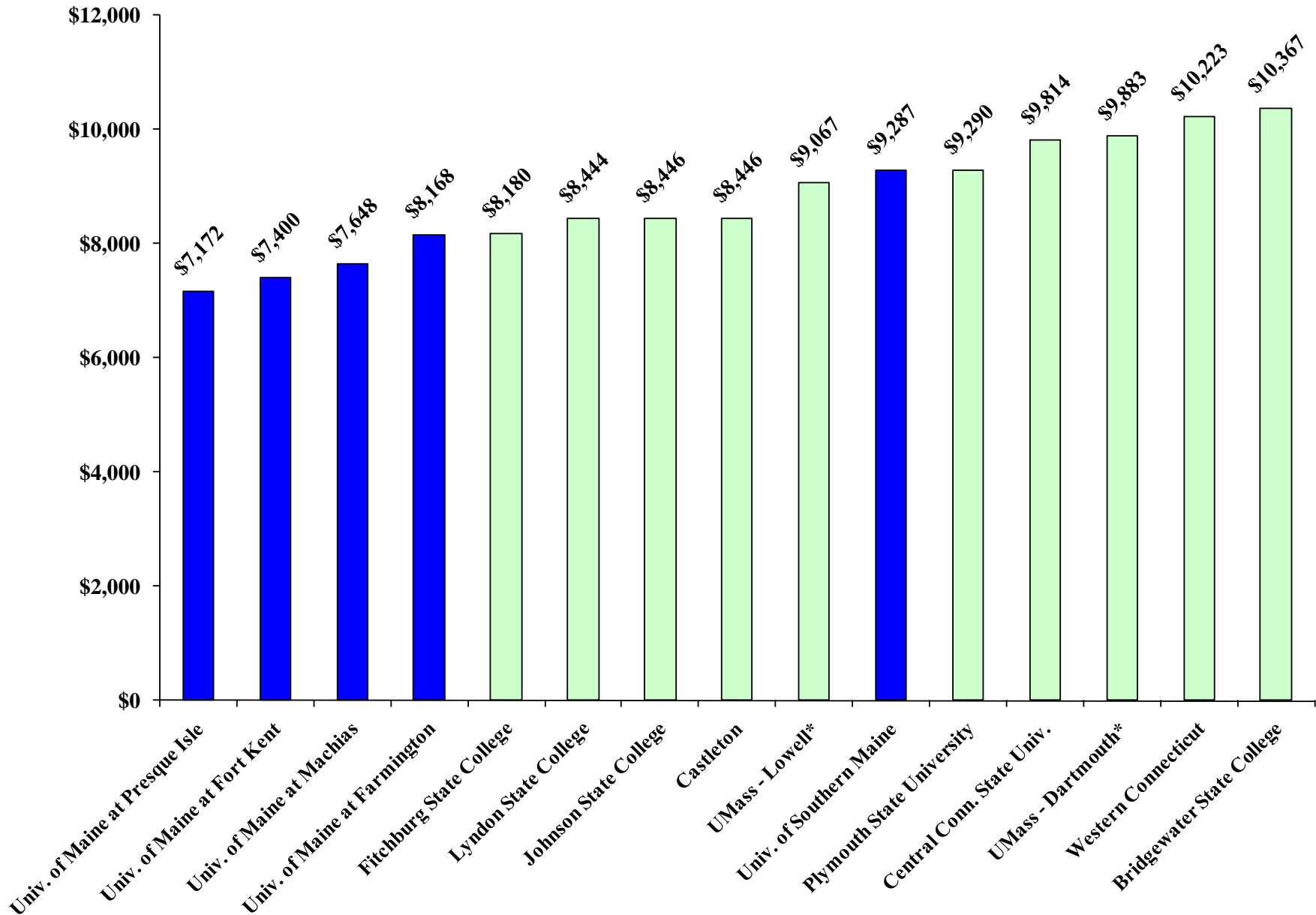


# ***SELECTED NEW ENGLAND STATE COLLEGES & UNIVERSITIES***

## ***ESTIMATED ROOM & BOARD***

### ***FY12***

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Source: Telephone calls & websites

\*Reflects FY11 rates as FY12 estimates not yet available

# ***SYSTEM-WIDE SERVICES BUDGET HIGHLIGHTS***

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## ***Financial***

- FY12 operating budget represents a \$200,000, or 1%, increase over FY11.
- Increased budget reflects investments in international recruitment on behalf of our seven universities and in capital equipment to meet depreciation funding requirements.
- FY12 operating budget is approximately \$900,000 less than in FY08.\*

## ***Strategic***

- In FY12 the Strategic Investment Fund equals 2% of total state appropriation, or \$3.7 million.
- In FY12 the Budget Stabilization Fund is expected to equal \$10 million. This fund, created from excess temporary investment income, is intended to stabilize university budgets in future economic downturns.

## ***Challenges***

- Compensation and benefit increases during a period of flat or declining revenues.
- Increased budget for capital investments to meet depreciation expense target.
- Uncertainty of future state appropriation.

*\* Excluding Strategic Investment Funds that will be transferred to the universities.*

# SWS TOTAL UNRESTRICTED OPERATIONS

	(000's)				
	FY10	FY11		FY12	FY12 BUDGET TO:
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	FY11 BUDGET    FY11 FORECAST
<b><u>Revenues</u></b>					
Tuition & Fees	\$0	\$0	\$0	\$0	
Dining & Residence	0	0	0	0	
Less: Waivers/Scholarships	(85)	(38)	(38)	(40)	5.3%    5.3%
Net Student Charges Revenue	(\$85)	(\$38)	(\$38)	(\$40)	5.3%    5.3%
State Appropriation	13,641	15,808	15,808	17,451 *	10.4%    10.4%
Other Income	10,946	3,023	10,511	3,088	2.2%    (70.6%)
<b>Total Net Revenues</b>	<u>\$24,502</u>	<u>\$18,793</u>	<u>\$26,281</u>	<u>\$20,499</u>	9.1%    (22.0%)
<b><u>Expenses</u></b>					
Compensation & Benefits	\$13,032	\$14,000	\$13,311	\$14,141	1.0%    6.2%
Fuel & Electricity	90	65	57	65	-    14.0%
Other/Depreciation	3,486	6,216	6,999	7,441 *	19.7%    6.3%
<b>Total Expenses</b>	<u>\$16,608</u>	<u>\$20,281</u>	<u>\$20,367</u>	<u>\$21,647</u>	6.7%    6.3%
<b>Net Increase (Decrease)</b>	<u>\$7,894</u>	<u>(\$1,488)</u>	<u>\$5,914</u>	<u>(\$1,148)</u>	
<b><u>Cash Flow</u></b>					
Net Increase (Decrease)	\$7,894	(\$1,488)	\$5,914	(\$1,148)	
Plus Depreciation	2,933	2,801	2,801	2,433	(13.1%)    (13.1%)
Less Capital Expenditures	(654)	(361)	(551)	(500)	38.5%    (9.3%)
Debt Service Principal	(645)	(670)	(670)	(785)	17.2%    17.2%
<b>Net Change</b>	\$9,528	\$282	\$7,494 **	\$0	
<b>State Fiscal Stabilization Funds</b>					
<b>Employee Pooled Benefits</b>	4,983		3,000		
<b>ADJUSTED NET CHANGE</b>	<u>\$14,511</u>	<u>\$282</u>	<u>\$10,494</u>	<u>\$0</u>	

\* Includes \$3.7 million in Strategic Investment Funds that will be transferred to fund recipients

\*\* Temporary Investment Income above budget

# ***SWS UNRESTRICTED EXPENSE BUDGETS***

***(Excluding Depreciation & Strategic Investment Fund)***

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\$ in Millions

	<b><u>FY08</u></b>	<b><u>FY09</u></b>	<b><u>FY10</u></b>	<b><u>FY11</u></b>	<b><u>FY12</u></b>
Governance	\$2.8	\$2.5	\$2.4	\$2.2	\$2.3
Information Technology	8.5	8.5	8.8	8.3	8.2
Finance, Procurement, Facilities, Administration	4.1	4.2	4.0	4.1	4.4
Human Resources	2.2	2.1	2.1	1.9	1.8
<b>Total</b>	<b><u><u>\$17.6</u></u></b>	<b><u><u>\$17.3</u></u></b>	<b><u><u>\$17.3</u></u></b>	<b><u><u>\$16.5</u></u></b>	<b><u><u>\$16.7</u></u></b>

# UMaine BUDGET HIGHLIGHTS

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## *Financial*

- **In-state undergraduate tuition increase = 4.5% ; mandatory fees = 4.0%; room & board = 2.0%**
- **FY12 budgeted enrollment is 2.4% less than FY11 budgeted enrollment and 1.8% less than FY11 actual enrollment**
- The institutional commitment to student affordability and access is demonstrated by limiting tuition and fee increases and adding to financial aid, **keeping the total cost increase for undergraduates at 3.3%, the lowest in ten years.**
- The UMaine E&G base budget required identifying a total of approximately \$6M in increased revenues and expenditure reductions to ensure a balanced FY12 budget.
- Of this \$6M, increases from tuition and fee revenues as adjusted for enrollment decreases account for only \$1.8M in new revenue, or 30% of the required funding.
- The remaining 70%, or \$4.2M, has been identified through reallocations from existing programs, services and expenditure areas requiring adjustments/reductions in positions and other costs to ensure a balanced FY12 base E&G budget.
- Overall (E&G, Auxiliaries, and Designated), the FY12 budget is 0.6% below FY11 levels, for Total Operating Expenses and Transfers of \$250M. E&G Total Operating and Transfers for FY12 equal \$199M of the total \$250M.
- FY12 base budget provides for increases in:
  - Funds for compensation and benefit increases;
  - Tuition waivers and scholarships of 4.5% to assist in mitigating the increase in tuition and fees;
  - Additional financial aid over the 4.5% for both undergraduate and graduate students to offer merit awards and to help our neediest students as federal financial aid decreases, for a combined increase of 6.8%;
  - Room and Board average increases of 2%;
  - Identified areas requiring additional funding including library acquisitions, support for automation processing, and facilities operations.



# ***UMaine BUDGET HIGHLIGHTS (p. 2 of 5)***

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## ***Financial***

- **FY12 E&G Budget decreases expenditures by:**
  - Adjusting for a decline in student enrollment for both FY11 and FY12
  - Eliminating approximately 22.1 full-time equivalent positions which will affect 35 individual positions with 3 FTE's being either laid off or converted from full-time to part-time through work-year or work-schedule reductions, or moved to soft (grant) funding
  - Reducing positions accounting for approximately \$3.3M in ongoing savings or 55% of the \$6M required to balance the budget
  - Reducing operations and goods & services required to balance the FY12 budget
- **FY12 E&G Budget enhances many areas by:**
  - Supporting strategic commitments made in UMaine150 by President Kennedy
  - Adjusting funds for continued academic support
  - Providing funds for strategic enrollment planning
  - Mitigating reallocations in the Research area to enhance sponsored activity
  - Contributing to Advancement and Development for building alternative revenue
  - Working to maintain affordability for both undergraduate and graduate students
  - Enhancing student services to increase value and retain students on campus
  - Continuing the institutional commitment to increase deferred maintenance and capital
  - Providing the necessary utility support for facility expansion

# ***UMaine BUDGET HIGHLIGHTS (p. 3 of 5)***

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## ***Strategic***

### **– Sustainability**

- Continue to balance budgets annually
- Forecast forward 5 years to plan for the future
- Work to maintain the lowest in-state rate of New England Land Grant universities
- Continue strong federal and state relations
- Work collaboratively at the System level to leverage resources
- Increase financial aid
- Promote attractiveness of on-campus housing and dining
- Emphasize fundraising related to endowed scholarships
- Continue administrative efficiencies
- Seek alternative revenue sources

### **– Enrollment and Student Centricity**

- Maintain aggressive enrollment management efforts and student recruitment
- Focus strategies on out-of-state and international recruitment efforts
- Work with enrollment targets/goals established in conjunction with Noel-Levitz
- Establish data warehouse
- Reduce turnaround time for admissions' decisions
- Analyze and use financial aid strategically
- Strengthen the focus on student experience and retention
- Increase marketing and website focus
- Review general education requirements

# ***UMaine BUDGET HIGHLIGHTS (p. 4 of 5)***

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## ***Strategic***

### **– Technology**

- Build out of Education and Research National fiber network
- Continue efforts to make UMaine facilities wireless
- Increase video conferencing, which doubled last year
- Migrate to Voice-Over IP
- Evaluate and identify future technology directions
- Focus and expand on-line learning

### **– Niche**

- Identify programs with unique opportunities and audiences
- Build the UMaine brand
- Incent interdisciplinary collaboration
- Increase certificate programs
- Work to commercialize products, establish patents and grow revenue

### **– Ongoing**

- Continue administrative savings and reductions
- Seek collaborative private-public partnerships
- Continue academic strategic planning
- Work to achieve sustainable financial solutions
- Assess existing capacity and needs
- Strengthen private fund-raising efforts
- Implement and use the new integrated Advance system and database
- Increase net tuition revenue
- Maximize use of financial aid
- Continue comprehensive space and facilities planning
- Strengthen energy conservation efforts and continue energy management efforts

# ***UMaine BUDGET HIGHLIGHTS (p. 5 of 5)***

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## ***Challenges***

- Work to address the impact of declining general fund support and increased financial needs of students
- Work to address enrollment challenges with declining state demographics
- Strengthen through innovation the quality of academic programs
- Enable excellence in Research, Graduate Education and Public Service despite funding curtailments
- Build strategic planning and operational reserves
- Address deferred maintenance issues

*UMaine FY12 Budget Projection and Enrollment Overview as presented to the campus community on March 29-30, 2011 may be found at: [http://www.umaine.edu/admin\\_finance/](http://www.umaine.edu/admin_finance/)*

# UMaine UNRESTRICTED OPERATIONS

	(000's)				FY12 BUDGET TO:	
	FY10	FY11		FY12	FY11 BUDGET	FY11 FORECAST
	ACTUAL	BUDGET	FORECAST	BUDGET		
<b>Annual Cr. Hr. Enrollment</b>	280,064	273,156	271,482	266,669	(2.4%)	(1.8%)
<b>On-Campus Residents</b>	3,492	3,654	3,338	3,364	(7.9%)	0.8%
<b><u>Revenues</u></b>						
Tuition & Fees	\$113,477	\$116,738	\$115,750	\$118,536	1.5%	2.4%
Dining & Residence	32,545	34,018	33,000	32,946	(3.2%)	(0.2%)
Less: Waivers/Scholarships	(26,429)	(28,978)	(28,500)	(30,962)	6.8%	8.6%
Net Student Charges Revenue	\$119,593	\$121,778	\$120,250	\$120,520	(1.0%)	0.2%
State Appropriation	80,960	83,135	83,135	82,295	(1.0%)	(1.0%)
Other Income	48,252	42,133	43,467	42,779	1.5%	(1.6%)
<b>Total Net Revenues</b>	<b>\$248,805</b>	<b>\$247,046</b>	<b>\$246,852</b>	<b>\$245,594</b>	<b>(0.6%)</b>	<b>(0.5%)</b>
<b><u>Expenses</u></b>						
Compensation & Benefits	\$144,441	\$147,247	\$145,200	\$146,243	(0.7%)	0.7%
Fuel & Electricity	11,569	14,321	13,400	13,423	(6.3%)	0.2%
Other/Depreciation	90,102	93,089	92,778	90,597	(2.7%)	(2.4%)
<b>Total Expenses</b>	<b>\$246,112</b>	<b>\$254,657</b>	<b>\$251,378</b>	<b>\$250,263</b>	<b>(1.7%)</b>	<b>(0.4%)</b>
<b>Net Increase (Decrease)</b>	<b>\$2,693</b>	<b>(\$7,611)</b>	<b>(\$4,526)</b>	<b>(\$4,669)</b>		
<b><u>Cash Flow</u></b>						
Net Increase (Decrease)	\$2,693	(\$7,611)	(\$4,526)	(\$4,669)		
Plus Depreciation	14,094	14,334	14,334	15,432	7.7%	7.7%
Less Capital Expenditures	(9,016)	(4,770)	(6,750)	(5,629)	18.0%	(16.6%)
Debt Service Principal	(4,291)	(4,451)	(4,451)	(4,622)	3.8%	3.8%
<b>Net Change</b>	<b>\$3,480</b>	<b>(\$2,498)</b>	<b>(\$1,393)</b>	<b>\$512</b>		
<b>State Fiscal Stabilization Funds</b>	<b>3,011</b>	<b>3,011</b>	<b>3,011</b>	<b>0</b>		
<b>NET</b>	<b>\$6,491</b>	<b>\$513</b>	<b>\$1,618</b>	<b>\$512</b>		

# ***UMA BUDGET HIGHLIGHTS***

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## ***Financial***

- **In-state undergraduate tuition increase = 4.3%; mandatory fees increase = 5.9%**
- **FY12 budgeted enrollment is 3.0% more than FY11 budgeted enrollment and 3.3% less than FY11 actual enrollment**
- Faculty and staff continue to be encouraged to seek external funding projects
- UMA will expand and develop fundraising activities to diversify sources of revenue
- UMA will continue to develop and apply financial policies and practices to support the institution's academic goals and strategic plan

## ***Strategic***

- Increase outreach efforts to increase student applications and improve student retention based on UMA's new strategic and enrollment management plans
- Continue to expand online and hybrid programs and provide exceptional support services for students and faculty
- Foster a data-driven decision-making process to measure and improve institutional effectiveness
- Continue upgrading campus facilities thereby increasing energy efficiencies and reducing operating costs
- Foster an atmosphere of assessment throughout the institution.
- Continue to develop and support an infrastructure of facilities and technology that supports academic goals

## ***Challenges***

- Factors beyond UMA's control (e.g. unemployment, gasoline prices, energy costs) could have a negative impact on reaching enrollment targets
- Continue efforts to reduce dependence on part-time instructors
- Aging workforce resulting in unprecedented rate of turnover
- Planned phase out of ITV will necessitate developing alternative delivery strategies to maintain current enrollments

# UMA UNRESTRICTED OPERATIONS

	(000's)				FY12 BUDGET TO:	
	FY10	FY11		FY12	FY11 BUDGET	FY11 FORECAST
	ACTUAL	BUDGET	FORECAST	BUDGET		
<b>Annual Cr. Hr. Enrollment</b>	91,288	88,210	93,986	90,856	3.0%	(3.3%)
<b>On-Campus Residents</b>	-	-	-	-		
<b><u>Revenues</u></b>						
Tuition & Fees	\$22,731	\$21,851	\$24,250	\$23,311	6.7%	(3.9%)
Dining & Residence	1	0	0	0		
Less: Waivers/Scholarships	(1,726)	(2,094)	(2,094)	(2,188)	4.5%	4.5%
Net Student Charges Revenue	\$21,006	\$19,757	\$22,156	\$21,123	6.9%	(4.7%)
State Appropriation	13,298	13,663	13,663	13,525	(1.0%)	(1.0%)
Other Income	3,210	2,403	2,473	2,334	(2.9%)	(5.6%)
<b>Total Net Revenues</b>	<b>\$37,514</b>	<b>\$35,823</b>	<b>\$38,292</b>	<b>\$36,982</b>	<b>3.2%</b>	<b>(3.4%)</b>
<b><u>Expenses</u></b>						
Compensation & Benefits	\$26,450	\$27,075	\$27,165	\$27,796	2.7%	2.3%
Fuel & Electricity	863	1,069	1,069	1,079	0.9%	0.9%
Other/Depreciation	9,074	8,944	9,043	8,550	(4.4%)	(5.5%)
<b>Total Expenses</b>	<b>\$36,387</b>	<b>\$37,088</b>	<b>\$37,277</b>	<b>\$37,425</b>	<b>0.9%</b>	<b>0.4%</b>
<b>Net Increase (Decrease)</b>	<b>\$1,127</b>	<b>(\$1,265)</b>	<b>\$1,015</b>	<b>(\$443)</b>		
<b><u>Cash Flow</u></b>						
Net Increase (Decrease)	\$1,127	(\$1,265)	\$1,015	(\$443)		
Plus Depreciation	1,155	1,120	1,120	1,192	6.4%	6.4%
Less Capital Expenditures	(1,790)	(181)	(1,800)	(600)	231.5%	(66.7%)
Debt Service Principal	(156)	(161)	(161)	(106)	(34.2%)	(34.2%)
<b>Net Change</b>	<b>\$336</b>	<b>(\$487)</b>	<b>\$174</b>	<b>\$43</b>		
<b>State Fiscal Stabilization Funds</b>	<b>506</b>	<b>506</b>	<b>506</b>	<b>0</b>		
<b>ADJUSTED NET CHANGE</b>	<b>\$842</b>	<b>\$19</b>	<b>\$680</b>	<b>\$43</b>		

# ***UMF BUDGET HIGHLIGHTS***

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## ***Financial***

- **In-state undergraduate tuition increase = 4.0%; mandatory fees increase = 3.3%; room & board increase = 4.0%**
- **FY12 budgeted enrollment is 0.5% more than FY11 budgeted enrollment and 4.0% less than FY11 actual enrollment**
- Preparations have been made in case of further state appropriation curtailment or a sudden drop in enrollment
- Reserves are moving closer to KPMG threshold

## ***Strategic***

- Use of milestones will again be used in FY12
- All work and decisions are driven by the mission
- In addition to mission, work is focused on new revenue sources, retention, admission, and communication
- Energy reduction investments are being made to address rising oil prices
- Campus financial planning is focused long term

## ***Challenges***

- Keeping enrollment steady will be the largest challenge. This will be done by aggressive admissions and retention work
- Maintaining morale in a time of no growth and cut backs
- Realizing greater efficiencies at the campus level from software
- Continue commitment to fully fund depreciation
- Long term major auxiliary renovations/improvements
- Reduce energy consumption



# UMF UNRESTRICTED OPERATIONS

	(000's)				FY12 BUDGET TO:	
	FY10	FY11		FY12	FY11 BUDGET	FY11 FORECAST
	ACTUAL	BUDGET	FORECAST	BUDGET		
<b>Annual Cr. Hr. Enrollment</b>	63,928	61,835	64,764	62,171	0.5%	(4.0%)
<b>On-Campus Residents</b>	1,016	1,050	1,044	1,100	4.8%	5.4%
<b><u>Revenues</u></b>						
Tuition & Fees	\$20,240	\$19,882	\$20,831	\$20,986	5.6%	0.7%
Dining & Residence	7,933	8,659	8,749	8,977	3.7%	2.6%
Less: Waivers/Scholarships	(2,849)	(2,654)	(3,263)	(2,761)	4.0%	(15.4%)
Net Student Charges Revenue	\$25,324	\$25,887	\$26,317	\$27,202	5.1%	3.4%
State Appropriation	9,953	10,227	10,227	10,124	(1.0%)	(1.0%)
Other Income	2,735	2,150	2,073	2,036	(5.3%)	(1.8%)
<b>Total Net Revenues</b>	<b>\$38,012</b>	<b>\$38,264</b>	<b>\$38,617</b>	<b>\$39,362</b>	<b>2.9%</b>	<b>1.9%</b>
<b><u>Expenses</u></b>						
Compensation & Benefits	\$25,368	\$25,919	\$25,920	\$26,203	1.1%	1.1%
Fuel & Electricity	1,625	2,172	1,658	2,496	14.9%	50.5%
Other/Depreciation	9,893	10,272	10,624	10,109	(1.6%)	(4.8%)
<b>Total Expenses</b>	<b>\$36,886</b>	<b>\$38,363</b>	<b>\$38,202</b>	<b>\$38,808</b>	<b>1.2%</b>	<b>1.6%</b>
<b>Net Increase (Decrease)</b>	<b>\$1,126</b>	<b>(\$99)</b>	<b>\$415</b>	<b>\$554</b>		
<b><u>Cash Flow</u></b>						
Net Increase (Decrease)	\$1,126	(\$99)	\$415	\$554		
Plus Depreciation	1,464	1,498	1,498	1,491	(0.5%)	(0.5%)
Less Capital Expenditures	(1,179)	(1,399)	(1,398)	(1,582)	13.1%	13.2%
Debt Service Principal	(380)	(385)	(385)	(383)	(0.5%)	(0.5%)
<b>Net Change</b>	<b>\$1,031</b>	<b>(\$385)</b>	<b>\$130</b>	<b>\$80</b>		
<b>State Fiscal Stabilization Funds</b>	<b>691</b>	<b>419</b>	<b>650</b>	<b>0</b>		
<b>ADJUSTED NET CHANGE</b>	<b>\$1,722</b>	<b>\$34</b>	<b>\$780</b>	<b>\$80</b>		

# **UMFK BUDGET HIGHLIGHTS**

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## ***Financial***

- **In-state undergraduate tuition increase = 4.3% ; mandatory fees increase = 17.0%; room & board increase = 2.8%**
- **FY12 budgeted enrollment is 5.0% less than FY11 budgeted enrollment and 1.0% less than FY11 actual enrollment**
- For 2 consecutive years, room rates have not increased; budget includes a \$200 increase in board rate to cover additional costs
- Student Activity Fee increase of 57% (\$82 annually) was approved by the student body and is a major factor in the significant increase in mandatory fees
- Need to increase the residence hall occupancy to achieve economies of scale and that will require improvements in the facilities

## ***Strategic***

- Currently implementing a more merit-based financial aid package as recommended by Noel-Levitz
- Increasing out-of-state recruitment efforts and offering on-campus living incentives to increase our numbers
- Exploring MOU agreements with other institutions to provide educational opportunities for them
- Implementing a more formal One Stop student service center
- Fully engaging in increasing online offerings and support
- Introducing certificate programs to support State and UMS initiatives
- Continue to promote and market campus facilities to outside organizations, summer camps, Maine Winter Sports, and others to generate additional auxiliary revenue

## ***Challenges***

- Trying to minimize tuition and fee increases to protect access while maintaining the quality of our faculty and academic programs
- Deferred maintenance continues to be a concern. Many buildings are beginning to show their age. Crocker Residence Hall is a 1960's right and left loaded cement block building needing a face-lift to attract more residential students; deferred maintenance is the greatest long-term challenge. Most boilers are beyond their life expectancy
- High demand in the Nursing Program is stretching resources
- Staffing shortages in many areas are a constant challenge

# UMFK UNRESTRICTED OPERATIONS

	(000's)				FY12 BUDGET TO: FY11 BUDGET      FY11 FORECAST	
	FY10	FY11		FY12		
	ACTUAL	BUDGET	FORECAST	BUDGET		
Annual Cr. Hr. Enrollment	25,159	25,350	24,341	24,095	(5.0%)	(1.0%)
On-Campus Residents	166	200	180	200	-	11.1%
<u>Revenues</u>						
Tuition & Fees	\$6,802	\$7,154	\$6,963	\$6,974	(2.5%)	0.2%
Dining & Residence	1,180	1,362	1,320	1,405	3.2%	6.4%
Less: Waivers/Scholarships	(923)	(955)	(950)	(934)	(2.2%)	(1.7%)
Net Student Charges Revenue	\$7,059	\$7,561	\$7,333	\$7,445	(1.5%)	1.5%
State Appropriation	4,256	4,257	4,257	4,214	(1.0%)	(1.0%)
Other Income	817	734	750	365	(50.3%)	(51.3%)
<b>Total Net Revenues</b>	<b>\$12,132</b>	<b>\$12,552</b>	<b>\$12,340</b>	<b>\$12,024</b>	<b>(4.2%)</b>	<b>(2.6%)</b>
<u>Expenses</u>						
Compensation & Benefits	\$8,389	\$8,668	\$8,455	\$8,257	(4.7%)	(2.3%)
Fuel & Electricity	511	750	675	761	1.5%	12.7%
Other/Depreciation	3,753	3,554	3,647	3,281	(7.7%)	(10.0%)
<b>Total Expenses</b>	<b>\$12,653</b>	<b>\$12,972</b>	<b>\$12,777</b>	<b>\$12,299</b>	<b>(5.2%)</b>	<b>(3.7%)</b>
<b>Net Increase (Decrease)</b>	<b>(\$521)</b>	<b>(\$420)</b>	<b>(\$437)</b>	<b>(\$275)</b>		
<u>Cash Flow</u>						
Net Increase (Decrease)	(\$521)	(\$420)	(\$437)	(\$275)		
Plus Depreciation	517	520	520	550	5.8%	5.8%
Less Capital Expenditures	(9)	0	0	0	-	-
Debt Service Principal	(99)	(256)	(256)	(259)	1.2%	1.2%
<b>Net Change</b>	<b>(\$112)</b>	<b>(\$156)</b>	<b>(\$173)</b>	<b>\$16</b>		
<b>State Fiscal Stabilization Funds</b>	<b>156</b>	<b>156</b>	<b>229</b>	<b>0</b>		
<b>ADJUSTED NET CHANGE</b>	<b>\$44</b>	<b>\$0</b>	<b>\$56</b>	<b>\$16</b>		

# ***UMM BUDGET HIGHLIGHTS***

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## ***Financial***

- **In-state undergraduate tuition increase = 5.2% ; mandatory fees increase = 5.1%; room & board increase = 5.0%**
- **FY12 budgeted enrollment is 0.9% more than FY11 budgeted enrollment and 4.7% more than FY11 actual enrollment**
- Tuition increase necessary to offset loss of State Fiscal Stabilization Funds, decline in web course enrollments, and compensation and fuel adjustments
- Enrollment forecast reflects improvements in recruiting and retention efforts
- Strategic Investment Funds requested to maximize enrollment, improve retention, and fully leverage financial aid
- Increased capital transfers to meet depreciation funding target

## ***Strategic***

- Increase full time, matriculated transfer, on-line, and out-of-state enrollments
- Implement Noel-Levitz studies to improve enrollment, retention, awarding of financial aid, and pricing
- Set faculty hiring priorities and program actions reflective of enrollment targets and budget constraints
- Continue to develop and market Environmental Liberal Arts focus, align academic majors and core curriculum to ELA, and continue to refine first year experience and campus life program
- Improve energy efficiency through campus wide initiatives and bond financed investments
- Restructured Student Life to enhance overall delivery of services and programs

## ***Challenges***

- Offsetting economic difficulties and State funding limitations while keeping tuition at a reasonable level and implementing a comprehensive shift in curriculum and faculty development
- Funding/staffing marketing and retention efforts to implement recently developed marketing/retention/financial aid plans
- Maintaining Washington County enrollment in a declining demographic environment
- Increasing residence hall occupancy to cover debt service and balance budget

# UMM UNRESTRICTED OPERATIONS

	(000's)				FY12 BUDGET TO:	
	FY10	FY11		FY12	FY11 BUDGET	FY11 FORECAST
	ACTUAL	BUDGET	FORECAST	BUDGET		
Annual Cr. Hr. Enrollment	18,905	18,457	17,790	18,630	0.9%	4.7%
On-Campus Residents	242	243	242	268	10.3%	10.7%
<b>Revenues</b>						
Tuition & Fees	\$5,350	\$5,520	\$5,273	\$5,804	5.1%	10.1%
Dining & Residence	1,828	1,855	1,929	2,165	16.7%	12.2%
Less: Waivers/Scholarships	(1,600)	(1,453)	(1,665)	(1,740)	19.8%	4.5%
Net Student Charges Revenue	\$5,578	\$5,922	\$5,537	\$6,229	5.2%	12.5%
State Appropriation	4,316	4,286	4,286	4,243	(1.0%)	(1.0%)
Other Income	597	547	607	557	1.8%	(8.2%)
<b>Total Net Revenues</b>	<b>\$10,491</b>	<b>\$10,755</b>	<b>\$10,430</b>	<b>\$11,029</b>	<b>2.5%</b>	<b>5.7%</b>
<b>Expenses</b>						
Compensation & Benefits	\$6,670	\$6,917	\$6,788	\$6,963	0.7%	2.6%
Fuel & Electricity	612	760	705	787	3.6%	11.6%
Other/Depreciation	3,460	3,416	3,391	3,411	(0.1%)	0.6%
<b>Total Expenses</b>	<b>\$10,742</b>	<b>\$11,093</b>	<b>\$10,884</b>	<b>\$11,161</b>	<b>0.6%</b>	<b>2.5%</b>
<b>Net Increase (Decrease)</b>	<b>(\$251)</b>	<b>(\$338)</b>	<b>(\$454)</b>	<b>(\$132)</b>		
<b>Cash Flow</b>						
Net Increase (Decrease)	(\$251)	(\$338)	(\$454)	(\$132)		
Plus Depreciation	565	553	553	574	3.8%	3.8%
Less Capital Expenditures	(123)	(203)	(103)	(246)	21.2%	138.8%
Debt Service Principal	(160)	(170)	(170)	(196)	15.3%	15.3%
<b>Net Change</b>	<b>\$31</b>	<b>(\$158)</b>	<b>(\$174)</b>	<b>\$0</b>		
<b>State Fiscal Stabilization Funds</b>	<b>158</b>	<b>158</b>	<b>174</b>	<b>0</b>		
<b>ADJUSTED NET CHANGE</b>	<b>\$189</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		

# ***UMPI BUDGET HIGHLIGHTS***

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## ***Financial***

- **In-state undergraduate tuition increase = 4.3% ; mandatory fees increase = 4.5%; room & board increase = 4.0%**
- **FY12 budgeted enrollment is 1.1% more than FY11 budgeted enrollment and 8.6% less than FY11 actual enrollment**
- Projecting a reduction in the Canadian Certification Program
- Projecting an increase in out-of-state credit hours generated
- Summer session credit hours are expected to increase
- Budgetary increases included for fuel oil and gasoline for university operations

## ***Strategic***

- Continue revitalizing Associate Degree programs including development of the physical therapy program to fit our teaching capabilities
- Increase enrollment opportunities with our enhanced affiliation with the Bohua Group in China
- Remodel Pullen Hall to reduce carbon footprint and realize energy savings
- Fourth year of the Compass Grant Native American Retention – increased matching required
- Increase the visibility of the Prometric Test Center
- Review and implement Noel Levitz recommendations
- Continue to increase on-line teaching above 15%

## ***Challenges***

- Cost of Athletics – participating in NAIA and NCAA Division III
- Funding depreciation requirements
- Continue present level of maintenance to avoid increased deferred maintenance; energy efficiencies
- Reasonable, affordable tuition rates
- Identify a steady stream of resources to implement the Capital Plan
- Evaluation of workforce to meet the institution's mission and program requirements

# UMPI UNRESTRICTED OPERATIONS

	(000's)				FY12 BUDGET TO:	
	FY10	FY11		FY12	FY11 BUDGET	FY11 FORECAST
	ACTUAL	BUDGET	FORECAST	BUDGET		
<b>Annual Cr. Hr. Enrollment</b>	31,513	29,654	32,803	29,992	1.1%	(8.6%)
<b>On-Campus Residents</b>	279	285	296	285	-	(3.7%)
<b><u>Revenues</u></b>						
Tuition & Fees	\$8,176	\$7,719	\$8,500	\$8,033	4.1%	(5.5%)
Dining & Residence	1,862	1,931	2,110	2,007	3.9%	(4.9%)
Less: Waivers/Scholarships	(1,033)	(1,131)	(1,224)	(1,288)	13.9%	5.2%
Net Student Charges Revenue	\$9,005	\$8,519	\$9,386	\$8,752	2.7%	(6.8%)
State Appropriation	6,385	6,341	6,341	6,277	(1.0%)	(1.0%)
Other Income	1,287	815	1,183	797	(2.2%)	(32.6%)
<b>Total Net Revenues</b>	<b>\$16,677</b>	<b>\$15,675</b>	<b>\$16,910</b>	<b>\$15,826</b>	<b>1.0%</b>	<b>(6.4%)</b>
<b><u>Expenses</u></b>						
Compensation & Benefits	\$11,558	\$11,222	\$11,321	\$11,163	(0.5%)	(1.4%)
Fuel & Electricity	717	1,136	1,001	1,169	2.9%	16.8%
Other/Depreciation	4,353	4,171	4,840	4,074	(2.3%)	(15.8%)
<b>Total Expenses</b>	<b>\$16,628</b>	<b>\$16,529</b>	<b>\$17,162</b>	<b>\$16,406</b>	<b>(0.7%)</b>	<b>(4.4%)</b>
<b>Net Increase (Decrease)</b>	<b>\$49</b>	<b>(\$854)</b>	<b>(\$252)</b>	<b>(\$580)</b>		
<b><u>Cash Flow</u></b>						
Net Increase (Decrease)	\$49	(\$854)	(\$252)	(\$580)		
Plus Depreciation	775	749	749	790	5.5%	5.5%
Less Capital Expenditures	(304)	(80)	(330)	(113)	41.3%	(65.8%)
Debt Service Principal	(12)	(49)	(49)	(53)	8.2%	8.2%
<b>Net Change</b>	<b>\$508</b>	<b>(\$234)</b>	<b>\$118</b>	<b>\$44</b>		
<b>State Fiscal Stabilization Funds</b>	<b>234</b>	<b>234</b>	<b>359</b>	<b>0</b>		
<b>ADJUSTED NET CHANGE</b>	<b>\$742</b>	<b>\$0</b>	<b>\$477</b>	<b>\$44</b>		

# ***USM BUDGET HIGHLIGHTS***

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## ***Financial***

- **In-state undergraduate tuition increase = 4.5%; mandatory fees increase = 3.5%; room & board increase = 2.9%.**
- **FY12 budgeted enrollment is 0.8% more than FY11 budgeted enrollment and equal to FY11 actual enrollment.**
- The FY12 enrollment projections anticipate more undergraduate Maine resident students and fewer out-of-state students. The budget for on-campus residents in FY12 is 10.1% (143 students) less than FY11. This is 0.8% (10 students) higher than actual number of FY11 residents.
- USM is increasing aid by 6% to offset the cost of the tuition increase and improve recruiting and retention by providing targeted scholarships following Noel-Levitz recommendations.
- USM has increased the major maintenance budget by \$608,000, meeting UMS depreciation funding requirements. The reallocation of funds previously required for debt service provided \$400,000 of these additional funds.
- USM has achieved significant energy efficiencies, allowing the reduction of the amount budgeted for Fuel & Electricity by \$234,000. These funds are now included in the maintenance budget.
- USM realized \$750,000 in savings through the academic college reorganization. The recently approved academic departmental reorganization is expected to provide additional savings of \$230,000. All savings are being reinvested in academic programs.



# ***USM BUDGET HIGHLIGHTS (p. 2 of 3)***

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## ***Strategic***

- USM will continue implementing the academic reorganization approved by the Board of Trustees in May 2010. Consistent with that plan, a national search will be conducted to select a permanent Provost.
- USM will remain focused on recruiting and retaining qualified students using data and recommendations provided by Noel-Levitz and other experts.
- The Pioneers Honors Program for Science, Technology, Engineering and Math (STEM) will enroll its first cohort of six to eight highly qualified students.
- A new USM web site will be launched later this month. Concurrently, new web management tools will become available to more effectively market the university.
- The University of Maine School of Law, an administrative unit of USM, is implementing a new national marketing campaign.
- The recently established Office of Institutional Research and Assessment will begin providing data, analysis and context to inform the establishment, evaluation and development of highly effective academic, research, public and student service programs.
- USM is actively pursuing opportunities to internationalize, with initiatives now underway in both China and Korea.

# ***USM BUDGET HIGHLIGHTS (p. 3 of 3)***

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## ***Challenges***

- Noel-Levitz projects a decline in first-time-in-college and transfer students. USM will need to attract more adult and part-time students and improve retention to maintain enrollments.
- Maintaining affordability as state and federal support for financial aid decreases. Noel-Levitz has recommended increasing institutionally funded financial aid by \$1.3 million per year for each of the next four years.
- Investing in new faculty, professional development, sabbaticals, and technology to meet regional needs and student interests.
- Developing and executing a sustainable, long-term plan that continues to promote mission appropriate excellence in scholarship, research, creative activity and public service in a rapidly changing and highly competitive environment. Reductions in campus support from state appropriations and current economic conditions make finding the seed funds needed to create new programs very difficult.
- Addressing the critical major maintenance needs of an aging physical plant and modernizing facilities to meet the requirements of a 21<sup>st</sup> century university.

# USM UNRESTRICTED OPERATIONS

	(000's)				FY12 BUDGET TO:	
	FY10	FY11		FY12	FY11 BUDGET	FY11 FORECAST
	ACTUAL	BUDGET	FORECAST	BUDGET		
<b>Annual Cr. Hr. Enrollment</b>	210,603	210,604	212,325	212,325	0.8%	-
<b>On-Campus Residents</b>	1,409	1,417	1,264	1,274	(10.1%)	0.8%
<b><u>Revenues</u></b>						
Tuition & Fees	\$75,666	\$77,477	\$79,750	\$80,854	4.4%	1.4%
Dining & Residence	13,414	13,934	12,650	13,137	(5.7%)	3.8%
Less: Waivers/Scholarships	(6,515)	(7,036)	(7,400)	(7,427)	5.6%	0.4%
Net Student Charges Revenue	\$82,565	\$84,375	\$85,000	\$86,564	2.6%	1.8%
State Appropriation	40,151	41,243	41,243	40,831	(1.0%)	(1.0%)
Other Income	18,257	14,061	15,311	14,322	1.9%	(6.5%)
<b>Total Net Revenues</b>	<b>\$140,973</b>	<b>\$139,679</b>	<b>\$141,554</b>	<b>\$141,717</b>	1.5%	0.1%
<b><u>Expenses</u></b>						
Compensation & Benefits	\$95,471	\$102,290	\$96,300	\$102,386	0.1%	6.3%
Fuel & Electricity	3,304	4,802	3,800	4,568	(4.9%)	20.2%
Other/Depreciation	36,609	35,634	38,962	36,370	2.1%	(6.7%)
<b>Total Expenses</b>	<b>\$135,384</b>	<b>\$142,726</b>	<b>\$139,062</b>	<b>\$143,324</b>	0.4%	3.1%
<b>Net Increase (Decrease)</b>	<b>\$5,589</b>	<b>(\$3,047)</b>	<b>\$2,492</b>	<b>(\$1,607)</b>		
<b><u>Cash Flow</u></b>						
Net Increase (Decrease)	\$5,589	(\$3,047)	\$2,492	(\$1,607)		
Plus Depreciation	5,755	5,747	5,747	6,129	6.6%	6.6%
Less Capital Expenditures	(3,799)	(1,155)	(4,000)	(1,763)	52.6%	(55.9%)
Debt Service Principal	(4,794)	(2,840)	(2,469)	(2,664)	(6.2%)	7.9%
<b>Net Change</b>	<b>\$2,751</b>	<b>(\$1,295)</b>	<b>\$1,770</b>	<b>\$95</b>		
<b>State Fiscal Stabilization Funds</b>	<b>2,396</b>	<b>1,511</b>	<b>1,511</b>	<b>0</b>		
<b>ADJUSTED NET CHANGE</b>	<b>\$5,147</b>	<b>\$216</b>	<b>\$3,281</b>	<b>\$95</b>		